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To: [Participate](#)
Cc: [Greg Foley](#); [Mark Dee](#)
Subject: For public comment: P&Z Meeting 1/11/21 Item 5 (please include in meeting minutes)
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P&Z Commissioners,

Thank you for starting a process to assess how hotels impact Ketchum.

As you think through this important issue, the most important consideration for every City policy and action should be:

how does this improve the quality of life for the residents of Ketchum?

I haven't once seen that question ever addressed in a staff memo to the Commission, and I believe that many of the problems facing our community have resulted from City officials and administrators not asking themselves that question often enough.

From that lens, it is clear that a large chain hotel in Ketchum will make life worse for the people who live here.

- **We don't have the labor** here as we know from the business curtailments—it will have to be taken from other employers or imported from outside our region.
- **We don't have the housing** for the workers even if they can be found. Bringing more low-wage workers into Ketchum just makes the housing situation worse for the people who already live and work here.
- If they come with families, or intend to have families, **we currently don't have the school capacity**. Not at the pre-school level and not at the grammar school level—our kids go to school in trailers, or are bused to Hailey. Let's absorb the current school population before making it worse.

Examining hotels' impact on housing is an important consideration in the quality of life assessment, but it is just one part of the puzzle. Sustainability, labor shortage impact, impact on existing businesses, parking and traffic impact, and impact on the character of Ketchum all factor in. A sole focus on hotel impact misses the big picture. The massive growth in full-time and part-time residents needs to be factored in when assessing Ketchum's tourism "capacity."

In short, given that we are largely a one industry city, the City should develop a current and projected tourism capacity model for Ketchum.

Commission Should Control the Staff (not the other way around)

Unfortunately, the staff memo does not provide the Commission with the information you need to make such an assessment, even if just limited to the housing impact.

- The Downtown and Gateway plans are outdated and irrelevant. They were superseded by the Comprehensive Plan eight years ago, and even that plan no longer reflects the reality we live in (it is due for a revision in 2024).
- pretty much every number in the staff memo is either long out of date, misleading, or incomplete. While Ketchum may have lost hotel rooms, it has likely gained far more short-term beds via Airbnb/VRBO.

For example, there is no data on the hotel and STR workforce in the staff memo. That workforce is largely interchangeable, How many workers at what kind of jobs paying what kind of wages, visa vs full time vs part time, etc., and where do service industry workers live? What are occupancy rates for hotels and STRs, and the trends in room rates. How do people arrive (plane vs car?). What is car rental demand at SUN. It would behoove the City to solicit that information before deciding to permit more hotels (or STRs).

Rather than letting the staff decide what information they want to share with the Commission, it might make sense for the Commission to demand from its staff what the Commission needs to make good decisions.

Make a Mistake on a Hotel, And its Impact is Large and Durable

One benefit to STRs is that the units of capacity are small, and fluid. At different times in an economic cycle, STR condos can go back into the LTR market, or can go into the second home market. Such is not the case with hotels—they don't have kitchens and don't have adequate parking. They come in big chunks, so policy mistakes have a much greater impact on the character and economics of the community.

Has the City done an assessment of its hotel situation? Is the Commission aware that the Aspen-based owner of Hotel Ketchum/Tamarack is looking to sell the Tamarack for its development rights? What about the aging Best Western Tyrolean, or the decrepit Hot Water Inn? What plans do their owners have? Is it better for the quality of life of Ketchum residents to have those properties redeveloped, or to have new, de novo hotels, built to chain hotel standards and run by a Utah-based chain hotel operator, who is interested only in profit and has no skin in the community?

Lack of Workforce Data

I have yet to see any data from the City, SVBR, SVED or any other source that answers a critical question: how many service industry workers do we need at various hotel/STR capacity levels? The natural follow on question: where will they live? These are numbers that can be modeled. Without that information, we are shooting in the dark on any City Planning decision making.

Availability of Housing Contributes to Worker Shortage

Looking narrowly at housing, given that there is no unemployment in Ketchum and a regular parade of cars coming up 75 every morning, along with the complaints of local business owners the they can't find workers, and the curtailed hours of service, clearly we have a service industry labor shortage. Even high margin operations like Round House and Trail Creek are closed for dinners for the rest of the year due to labor shortages.

Unlike many resort communities in Colorado, we have a relatively fixed labor market, While Hailey/Bellevue provide some supply (with some unknown additional labor supply from future down valley), they are both housing constrained, as well. We have no Carbondale/Basalt/Grand Junction or Avon/Edwards to mitigate the housing crisis that limits our supply of low-wage labor.

Tax Credit Housing Does Not Fix Resort Town Worker Shortages

Aspen has 3000 units of community housing. Yet it still has such an acute labor shortage that it has put a moratorium on all development. Unlike Vail, Aspen does not require tenants to work in the community. Consequently, the average age in its community housing is over 50.

It is largely senior housing, not workforce housing—that approach does not address housing driven worker shortages. Ketchum has embarked on a similar path; with its reliance on tax-credit financed low-income housing, the City is not going to solve its workforce housing challenge with Bluebird. An examination of how the tenantry of Northwood Place has evolved provides some hint of Bluebird’s future.

How can we help employers solve their labor shortage problem with housing?

What is happening now in Aspen is that major employers, like Aspen Ski Co., are giving up on government housing programs, and working to provide their own workforce housing. Sun Valley Co has largely done this for almost 100 years. Now the Limelight is following its owner’s model and acquiring its own workforce housing, as is St Luke’s, while BCSD is pursuing its own avenues. Employers can move faster than government and, un-hampered by the same level of red-tape, can craft more effective solutions. The Meadow’s tiny houses are here today, are restricted to workers, and cost a fraction of the City’s sole initiative. What is Ketchum doing to work with employers on these issues?

Who Controls Ketchum’s Future?

Personally, I am not against change, development or growth. Those are inevitable. The choice that faces the Commission is who controls these things? You? Or people from outside our community with the money and resources to take advantage of what we have to offer, but take out more than they put in? As the Commission deals with development, if you ask yourselves “does this improve the quality of life for Ketchum residents” you will take back a large amount of that control.

Thank you for your service to our community,

Perry Boyle
Ketchum